



June 10, 2019

NOTICE OF PRELIMINARY PUBLIC HEARING TO CONSIDER REGULATORY CHANGES

DEPARTMENT OF CONSERVATION STATE MINING AND GEOLOGY BOARD

**TITLE 14. NATURAL RESOURCES
Division 2. Department of Conservation
Chapter 8. Mining and Geology
Subchapter 1. State Mining and Geology Board
Article 5. Reclamation Plan Appeal
Sections 3650 - 3659
and
Article 11.5 Forfeiture of Financial Assurance
Sections 3810 - 3817**

Pursuant to Public Resources Code (PRC), section 2760, **NOTICE IS HEREBY GIVEN** that the State Mining and Geology Board (SMGB) will consider the revision and approval of an **initial draft** of proposed amended regulatory language in the California Code of Regulations (CCR), Title 14, Sections:

3650 – 3659, pertaining to Reclamation Plan Appeals; and

3810 – 3817, pertaining to Forfeiture of Financial Assurances

Following approval of the initial draft language and rulemaking package, a formal public comment period will begin for input on the proposed regulatory changes.

The date, time, and location of the public hearing are:

**Thursday, July 11, 2019 – 9:00 a.m.
California State Capitol
Assembly Hearing Room #444
Sacramento, California 95814**

BACKGROUND

Reclamation Plan Appeals

Since the Surface Mining and Reclamation Act (SMARA) was enacted in 1975, surface mining operations within the state of California have been statutorily required to have a reclamation plan that describes a proposed use or potential use of the mined lands (Public Resources Code (PRC) section 2770). On April 18, 2016, Governor Brown signed Assembly Bill 1142 into law and thereby enacted new reforms to SMARA including updating the process for reclamation plan appeals. The pertinent statute was further amended by Senate Bill 809 and Assembly Bill 3257.

PRC section 2770 provides the process for reclamation plan appeals. If a reclamation plan is denied or not acted upon within a reasonable time, an appeal can be filed with the State Mining and Geology Board (Board).

The proposed amended regulations are required to make consistent with updates to statute concerning the conduct of the reclamation plan appeals process pursuant to PRC section 2770.

Forfeiture of Financial Assurances

PRC section 2773.1 requires mining operators to establish financial guarantees in amounts at least equal to annual assessments or estimates of the cost to reclaim their operations in accordance with their operation's approved reclamation plan. Financial guarantees or mechanisms may take the form of cash deposits, letters of credit, or surety bonds. PRC section 2773.1 also provides authority to lead agencies, or the state, to seize an operator's financial assurance mechanism if the operator is financially incapable of reclaiming or has abandoned the mining operation.

Procedural requirements under PRC 2773.1 regarding the forfeiture process were amended under AB 1142 and the proposed amended regulations are intended to harmonize statutory changes with the appeals process provided for in regulations.

CONTACT PERSONS

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AVAILABILITY OF DOCUMENTS

Please direct requests for components of the entire rulemaking file, including the Initial Statement of Reasons (ISOR), to Matthew Livers at the above address. Final versions of all the proposed amended regulatory language up for approval and associated rulemaking documents, including the ISOR, will be available for review and download approximately one week before the public hearing. For more information on the proposed amended regulations associated with Reclamation Plan Appeals or Forfeiture of Financial Assurances please visit the SMGB website at:

<https://www.conservation.ca.gov/smgb>